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Post: Mexico

April Cotton Update

Report Categories:

Cotton and Products

Climate Change

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Report Highlights:

Mexican cotton production in marketing year (MY)2011/12 is forecast to increase to 1.14 million bales as high international prices are supporting expanded production on planted areas that had been abandoned or directed to other commodities. MY2010/11 production is revised upward as recent data at the end of harvest suggests production could reach approximately 713,000 bales. Increased production estimates may dampen demand for imported cotton as the Post/New import forecast for MY2011/12 is estimated at 1.3 million bales.

General Information:

Production:

With the final stages of cotton harvest approaching, the Confederation of Mexican Cotton Associations (CMCA) issued adjustments at the end of March to its preliminary final figures for MY2010/11.

CMCA adjusted its nationwide average yield estimate upward to 6.17 bales per hectare (ha). The Post/New forecast for MY2010/11 cotton bale production is estimated at 712,597 bales. This is due to greater yields obtained in Mexicali, Ojinaga, and other areas of Chihuahua where the use of imported seed boosted yields to over 7 bales/ha. The production increase is attributed, also, to farmers converting land planted for other uses or abandoned land to cotton acreage.

The increase in MY2010/11 production occurred in spite of lower production in Chihuahua as the limited water supply lowered yields 50 percent (3 bales/ha) and in Tamaulipas where a number of external factors compounded to decrease planted and harvested area. As previously reported, too, the La Laguna area suffered from the effects of the cotton smallpox (*viruela*) disease and yields averaged 4.46 bales/ha.

Table 1. Mexico: Cotton Production by State/Region for MY2010/11

Region	Planted Area (Ha)	Yield (Bales/Ha)	Production (Bales)
Southern Sonora	3,000	5.74	17,215
Mexicali, Baja California	23,500	6.97	164,014
Juarez, Chihuahua	8,170	3.00	24,058
Delicias, Chihuahua	25,832	7.07	182,730
Ojinaga-Aldama, Chihuahua	27,220	7.35	199,977
La Laguna / Durango and Coahuila	24,274	4.46	108,203
Northern Tamaulipas	3,520	4.66	16,400
TOTAL	115,516	6.17	712,597

CMCA forecasts MY2011/12 planting area and production at 184,800 hectares and 1,142,500 bales, respectively. FAS/Mexico forecasts that Sinaloa will plant roughly 2,000 hectares of cotton in MY2011/12. The most recent CMCA report, however, indicates Sinaloa planted area will be lower (approximately 800 hectares). Northern Sonora will return to cotton planting, as well, and may seed 4,000 hectares in MY2011/12. Mexicali and Chihuahua are expected to plant 33,000 hectares and 100,000 hectares, respectively. In total, MY2011/12 planted area increases are forecast 60 percent greater than the preliminary final figures for MY2010/11 planted area.

Table 2. Mexico: Cotton Production by State/Region for MY2011/12

Region	Planted Area (Ha)	Yield (Bales/Ha)	Production (Bales)
Northern Sonora	4,000	5.0	20,000
Southern Sonora	12,000	5.5	66,000
Mexicali, Baja California	33,000	6.5	214,500
Juarez, Chihuahua	15,000	6.0	90,000
Ascencion, Chihuahua	44,000	6.0	264,000
Meoqui, Chihuahua	5,000	6.0	30,000
Ojinaga-Aldama, Chihuahua	36,000	6.5	234,000
La Laguna	30,000	6.5	195,000
Northern Tamaulipas	5,000	5.0	25,000
Sinaloa	800	5.0	4,000
TOTAL	184,800	6.18	1,142,500

Consumption:

With new industry information, the Post/New MY2011/12 consumption estimate was revised upward to 2.3 million bales (480 pounds). As previously reported, the Mexican textile industry continues demanding cotton as consumer purchasing power and apparel spending recover.

Trade:

The Post/New cotton import forecast for MY2011/12 was revised downward to 1.3 million versus 1.4 million 480-pound bales in the Post/Old forecast. The decrease is due to the expected increase in domestic production that would help meet the sustained demand from the Mexican textile industry. As in previous seasons, exchange rate fluctuations will play a key role in determining the amount of cotton imported. The United States should remain the main supplier to Mexico and account for practically 100 percent of total cotton imports.

Stocks:

Despite sustained increases in domestic demand, MY2011/12 ending stocks figures were revised upward 4.7 percent, to 899,000 bales due to recent data issued by CMCA. This is lower than the Post/New MY2010/11 ending stock estimate.

Production, Supply and Demand Data Statistics :

Table 3. Mexico: Production, Supply, and Distribution (PS&D)

Cotton Mexico	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Aug 2009		Market Year Begin: Aug 2010		Market Year Begin: Aug 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	69	0	116		185
Area Harvested	70	69	110	116		184
Beginning Stocks	764	844	579	841		981
Production	422	411	683	713		1,143
Imports	1,393	1,511	1,350	1,600		1,300
MY Imports from U.S.	0	1,420	0	1,600		1,300
Total Supply	2,579	2,766	2,612	3,154		3,424
Exports	75	100	200	200		200
Use	1,900	1,800	1,900	1,948		2,300
Loss	25	25	25	25		25
Total Dom. Cons.	1,925	1,825	1,925	1,973		2,325
Ending Stocks	579	841	487	981		899
Total Distribution	2,579	2,766	2,612	3,154		3,424

Author Defined:

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work

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Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX1025	2011 Cotton Annual	4/1/11
MX1018	February Cotton Update	03/15/11
MX1008	December Cotton Update	02/01/11
MX0077	Cotton Situation – October Update	10/25/10
MX0062	Cotton Situation – September Update	09/10/10
MX0038	July Cotton Update	06/15/10
MX0021	Cotton and Products Annual	04/14/10